

THE **Audit Report**

AN INTERNAL AUDIT NEWSLETTER

ISSUE

08

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ARTIFICIAL INTELLIGENCE EDITION

Safeguarding Citizens

Learn about the White House Blueprint for an AI Bill of Rights and what that means for you.

MESSAGE
from the
VP for Audit

Trends in AI

Discover what is trending in the world of A.I. and how it is being used to solve some of the world's biggest problems.

Artificial Intelligence Word Search

Complete our A.I. themed word search before the deadline for a chance to win a prize.

Ethical Concerns

Learn how to address serious ethical concerns in AI.

... & more!



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VP for Audit

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Source:
Fanatics.com

Disclaimer: AI was used to write articles in this edition of the Audit Report Magazine.

Message from the VP for Audit



JOSEPH K. MALESZEWSKI

MBA, CIA, CISA, CIG, CIGA, CIGI, CGAP, CCEP, CCA, CFE

In this edition of **The Audit Report**, we will explore how Artificial Intelligence (AI) plays a crucial role in transforming higher education. With its ability to process vast amounts of data, identify patterns, and make intelligent decisions, AI is revolutionizing various industries and higher education is no exception. AI is impacting the way students learn, teachers educate, and institutions operate. In this newsletter, we will explore the significance of AI in higher education including the risks; workplace benefits; impacts to fraud, waste and abuse; IT AI technology; AI in audit; and AI in management and decision making. We will also review current legislation and discuss ethics as it relates to AI.

We hope you finding the edition of **The Audit Report** interesting and informative!



Safeguarding Citizens: A Blueprint for an AI Bill of Rights

By Bill Knight, ERM Coordinator

The White House has unveiled the "[Blueprint for an AI Bill of Rights](#)," a comprehensive set of principles and practices designed to safeguard the rights of American citizens in the era of AI. This blueprint holds particular relevance in the university and college environment, where AI technologies are increasingly utilized for various purposes, including research, student services, and administrative processes.

PRINCIPLES OF THE AI BILL OF RIGHTS

Principle 1: Safe and Effective Systems

In the academic setting, automated systems are used to streamline administrative tasks, personalize learning experiences, and enhance research capabilities. The University should conduct thorough pre-deployment testing, risk identification, and ongoing monitoring to ensure students' and staff's safety. By following the domain-specific standards, FAMU can mitigate any potential risks beyond the intended use of AI systems and proactively protect their communities from harm.

Principle 2: Algorithmic Discrimination

Addressing Algorithmic Discrimination is of utmost importance for FAMU. AI systems should not perpetuate bias or contribute to unjust discrimination based on protected characteristics, such as race, ethnicity, or gender. In higher education, ensuring equitable access to resources and opportunities is crucial. It is important to take proactive measures to eliminate bias from automated systems and conduct continuous disparity testing to confirm compliance with this principle.

Principle 3: Data Privacy

With vast amounts of sensitive data generated by students, faculty, and staff, FAMU should prioritize robust data protection measures. Student data, research findings, and personal information must be safeguarded from abusive data practices. FAMU's Data Privacy Officer, LaTonya Baker, helps to ensure transparent data collection practices, clear consent procedures, and privacy-by-design safeguards are operating effectively to respect individuals' privacy within the university ecosystem.

Principle 4: Notice and Explanation

The principle of Notice and Explanation plays a crucial role in fostering trust between FAMU and its communities. Students and staff should be informed when AI systems are in use and they should understand how these systems influence their experiences. In the academic setting, clear explanations are essential to help students realize how automated systems contribute to outcomes that impact their education and campus life.

Principle 5: Human Alternatives, Consideration, and Fallback

While AI can enhance learning experiences and administrative efficiency, students and staff must have the option to opt-out of automated systems when appropriate. Besides, in cases of system failure or errors, a timely and accessible human counterpart and fallback process should be available to address concerns and maintain transparency.

As FAMU integrates AI technologies into its daily operations, the blueprint for an AI Bill of Rights is a critical resource to guide its policies and practices. By aligning with these principles, FAMU can ensure the responsible development and deployment of AI technologies, fostering a campus environment that values privacy, equity, and transparency.



Balancing Act: The Pros and Cons of AI in Management's Decision-Making Process

By Trystal Wright, Senior Auditor & Investigator



In the fast-paced world of business, making smart decisions is crucial. And in recent years, a new player has entered the scene: AI. Imagine computers and machines lending a digital hand in helping managers make better choices. Sounds impressive, right? But managers must carefully consider the nature of the decision at hand. Just like any new tool, AI has its pros and cons when it comes to decision-making in management.

The Pros:

- **Speed and Efficiency:** AI can crunch massive amounts of data in a blink of an eye. This means managers can get insights and predictions faster, leading to quicker decisions.
- **Data-Driven Insights:** AI can dig deep into data, finding patterns that human eyes might miss. This translates to more informed decisions.
- **Reduced Bias:** Humans have biases that can influence decisions. AI, when properly programmed, can make decisions based on data, reducing the impact of bias. This can lead to fairer choices in hiring or promotions.
- **Scalability:** AI tools can handle multiple tasks simultaneously. This allows managers to focus on strategic decisions while routine tasks are handled by AI. Think of it as having a virtual assistant that never gets tired.
- **Constant Learning:** AI systems learn and adapt over time. As they collect more data, they become smarter. This means better decision-making as the AI becomes more familiar with the business environment.

The Cons:

- **Lack of Contextual Understanding:** While AI can process data, it might struggle to understand the full context. Human managers have intuition and experience that AI lacks. Sometimes, decisions need a human touch that AI can't provide.
- **Initial Investment and Maintenance:** Implementing AI systems can be expensive and time-consuming. They need continuous updates and maintenance, which might not always be cost-effective for small businesses.
- **Data Dependence:** AI relies heavily on data quality. If the data input is flawed, the AI's output can be unreliable. Garbage in, garbage out. This means companies need robust data collection and management systems.
- **Loss of Human Interaction:** Relying solely on AI for decision-making might reduce human collaboration and creativity. Face-to-face discussions and brainstorming sessions can lead to innovative solutions that AI might not generate.
- **Ethical Concerns:** AI can inadvertently perpetuate existing biases present in historical data. If not carefully designed, AI can make biased decisions, amplifying inequalities rather than reducing them.



The AI Revolution: Embracing Opportunities Without Losing the Human Touch

By Erica Thames, Senior Auditor & Investigator

In the ever-evolving world of technology, AI is rapidly transforming business practices by revolutionizing the workplace and streamlining work processes to allow employees to focus on more complex and mission-critical issues. These automated systems can handle routine administrative duties and free up valuable time for staff to engage in research, mentorship, and creative pursuits. Studies have shown that AI-driven automation can significantly improve productivity in various industries, including education.

The evolution of AI technology and AI-powered tools has changed how employees perform their everyday duties which enhances the efficiency and effectiveness of their work performance.

AI can be used to improve everyday business practices such as:

1) Time Management:

AI-powered time management tools can analyze employees' schedules, prioritize tasks, and allocate time efficiently. By considering individual workloads, deadlines, and priorities, AI can optimize schedules which could reduce potential employee burnout. Its advantages are also evident when used by instructors to grade and assess students' academic works for plagiarism.

2) Increasing Productivity Faster:

AI can automate repetitive and time-consuming tasks and handle multiple tasks simultaneously, leading to faster turn-around time and improving efficiency. AI can be used to automate many of the repetitive and time-consuming administrative tasks that are performed by university staff, such as grading assignments, creating a syllabus, and processing reports.

3) Performing Data and Predictive Analysis:

AI algorithms can analyze and process large amounts of data quicker than the average human. These algorithms can quickly identify patterns and trends, perform predictive analysis, and provide insight to improve an organization's decision-making process. AI can be used to proactively identify students who are struggling and to provide them with the support they need to succeed. AI-powered tutoring systems can improve student outcomes by providing students with individualized instruction and feedback. AI can also be used to create personalized learning paths for students, based on their interests and abilities.

Despite the apparent dominance of AI's advantages, it is essential to recognize certain inherent limitations. AI cannot replicate certain human qualities, which act as crucial components in various aspects of decision-making and problem-solving. Human experiences and emotional intelligence play a significant role in nuanced decision-making, empathy, and creative problem-solving, aspects in which AI systems may struggle to match the capabilities of human involvement.



Trends in AI Tech

By William Thomson

Senior IT Auditor & Investigator

AI as a field, continues to break ground as an emerging technology trend in its own right. With news articles and media headlines being seen covering the topic frequently, most people are aware of what AI is and have probably heard names such as ChatGPT, a large language model-based chatbot, used when discussing the technology. The potential uses and innovation that become possible through AI present huge opportunities to many industries, and those possibilities expand as the technology continues to advance rapidly. But how are new advancements being used and what trends are being seen at the forefront of AI development?

A major trend being seen now is the advancement of natural language processing and the leveraging of this technology for use in AI chatbots. We've begun to reach a point where natural language processing is so capable of understanding and generating everyday language that, in certain respects online, AI chatbots are becoming almost indistinguishable from humans. These chatbots are being used primarily for automating customer interactions through virtual customer service, which is expanding the quality and availability of these interactions in many sectors.

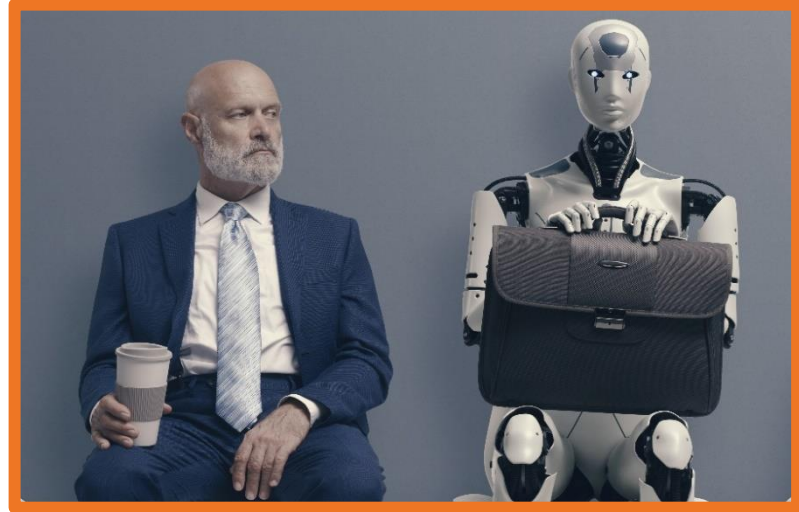
What we're also seeing is multimodal forms of AI models as an evolution to the typical chatbot AI models we see now. Multimodal AI models can accept a variety of inputs and understand them intuitively similar to how a human would. For instance, a multimodal AI model may be able to understand human language but also images, sounds, or video. These models would also be able to provide sounds or images as an output as well as a human language text response. As AI models' trend towards accepting multimodal inputs, what we could see in the near future are AI chatbots that can be interacted with even more so like another human user online.

These breakthroughs in the use and accessibility of AI will be highly beneficial to FAMU as things move forward. AI becoming more accessible means that our University could help students by using tools such as AI chat bots, and doing so in a manner that is easier for the students to engage. At many other universities we are seeing AI help students register and plan for their classes. We've also seen instances where AI helps students navigate around the University's website and helps them access assistance in a variety of different areas.

As with all technology, the most important thing is to be aware of how AI is developing and how it's being used. At FAMU, we can begin by first identifying the areas where we can use AI and then building out AI solutions as a pilot program to be implemented in those areas. AI shows promise to innovate and automate business processes across a wide scope of industries in the coming years and identifying those processes should be FAMU's first priority for beginning to apply this technology and reaping the benefits of doing so.

Ethical Concerns with AI

By Rasheedat McKay
Auditor & Investigator



Artificial Intelligence (AI) is an amazing tool that's shaking up everything around us and has got the potential to change our lives in ways we've never seen before.

The Chief Privacy Officer at FAMU, Mrs. LaTonya Baker stated, "Although, recently there has been a heightened discussion related to artificial intelligence, it has been around for a long time. When we look back over the last year, it has grown incredibly fast to encompass systems that generate work product through mining large amounts of data. With these significant gains, there are just as many challenges as there are benefits, and we must manage it in an ethical way. To do this, we have to be mindful of the impact of bias and the use of personal information in inappropriate ways. We look forward to enhancing our privacy program to keep pace with the dynamically changing environment."

You know what they say, with great power comes great responsibility. As AI systems become more advanced, there are some serious ethical concerns we need to address to make sure we're heading in the right direction.

Bias and Discrimination

Sometimes the data AI learns from can be tainted with the biases that exist in the real world. This leads to AI algorithms that end up unintentionally reinforcing social, racial, and gender biases. Yikes! That can cause some pretty unfair outcomes, like biased hiring decisions, unequal treatment in the criminal justice system, and limited access to financial services. To tackle this, we've got to be very careful about how we design and monitor AI systems. That means diverse representation in AI development teams and close examination to ensure that AI is making fair and unbiased decisions.

Privacy and Surveillance

Privacy is another huge concern when it comes to AI. AI technologies thrive on personal data, and is raising some serious eyebrows about how much privacy we're willing to give up. Think about the facial recognition systems that can track and identify people without their consent. So, in order to find that sweet spot between life-altering uses of AI and respecting people's privacy rights, we need to implement robust legal frameworks, transparency in data usage, and processes for getting consent.

Accountability and Transparency

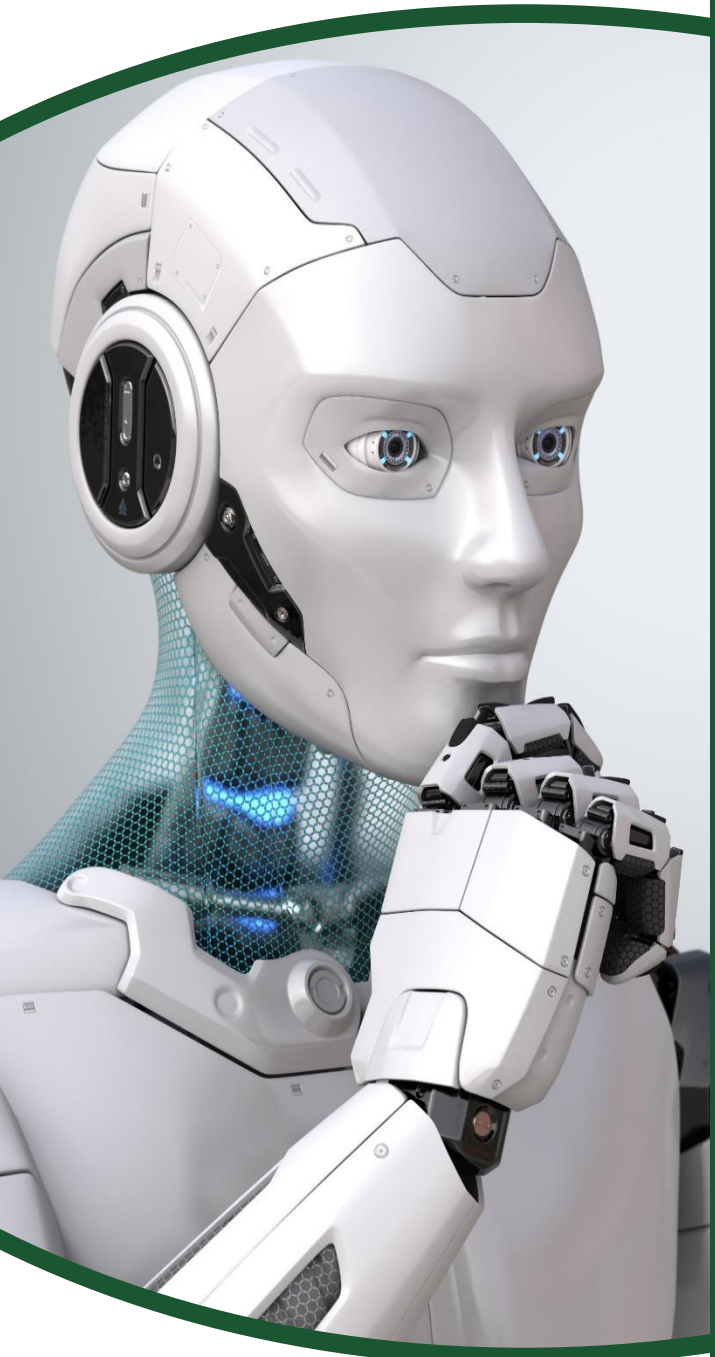
You know what's tricky? Holding AI accountable and understanding what it's really up to. As these systems get more complex, it's getting harder to figure out how they're making decisions. Imagine having AI in healthcare or autonomous vehicles – we need to know we can trust it. So, we've got to establish ways to hold AI accountable and make sure we can follow its thought process. Think of it as having an AI "moral compass" so we can be sure it's making justifiable and understandable decisions.

Job Displacement and Economic Disparity

We've got to think about the job market too. AI is super smart and can boost productivity, but it's also got the potential to put some folks out of work. That's terrifying for people who depend on those jobs to make a living. Plus, there's a risk that AI adoption will benefit those who are already doing well, leaving others behind in economic terms. We need to be proactive and set up reskilling programs, spread the wealth a bit, and put policies in place that make sure the transition to an AI-driven economy is fair and inclusive for everyone.

AI in Audit

By Crisencia Brown
Auditor & Investigator



One of the most exciting trends that is shaping the future of auditing is AI. AI is all the rage right now, and it has been a hot topic of discussion for Division of Audit (DoA) for quite some time. And you know what? It is revolutionizing the way we work!

AI can make our lives so much easier by streamlining data entry, analysis, and reporting - you name it! The impact on the DoA's day-to-day operations is huge, including increased productivity, enhanced audit quality, and lower costs. Plus, it gives us incredible analytics capabilities to spot trends and patterns very quickly.

DoA is at the forefront of attending AI-related training, staying in the loop with internal meetings, and conducting an AI Power Skills lab led by Phillip Hurd, Chief Audit and Compliance Executive at the University of Houston System. In April 2023, Mr. Hurd showed us how he is transforming his audit shop using technology like Robotic Process Automation (RPA), Machine Learning, and AI. He spoke about how his audit shop uses ChatGPT, which stands for Chat Generative Pre-trained Transformer (a large language model-based chatbot). It was fascinating to see how AI is being put to work in a real-world setting. We asked questions, and he gave us great feedback and shared some tips on using ChatGPT for our own audit-related activities.

We recognize the potential risks associated with AI in our work and have taken steps to mitigate them. We know there are ethical issues, data security concerns, transparency worries, and a bit of a fear of losing that human touch. We are committed to staying on top of those risks and doing everything in our power to prepare ourselves for the future.

So, buckle up, because DoA is ready to embrace the power of AI and take auditing to a whole new level. With the right knowledge, skills, and a dash of courage, we're going to thrive in this AI-driven world!

The Rattler Book of A.I. Risks

By Deidre Melton, AVP for Audit & Chief Risk Officer

Privacy and Data Security:

Collecting and analyzing large amounts of data raises concerns about privacy and data security. It is crucial to establish robust protocols to protect sensitive information and comply with relevant regulations.

Ethical Use of AI:

Discussions around AI should include ethical considerations, such as the impact on employment, potential displacement of certain job roles, and the responsibility to use AI ethically and responsibly.

Bias and Fairness:

AI systems can perpetuate existing biases if not carefully designed and monitored. We must ensure fairness, transparency, and accountability throughout the development and deployment of AI applications.

Adoption Challenges and Resistance:

This risk to AI implementation can hinder innovation and efficiency improvements within the university. To mitigate this risk, a comprehensive change management strategy should be developed to address concerns, ensure buy-in from stakeholders, and facilitate a smoother integration of AI technologies across the university.

Human Oversight and Decision-Making:

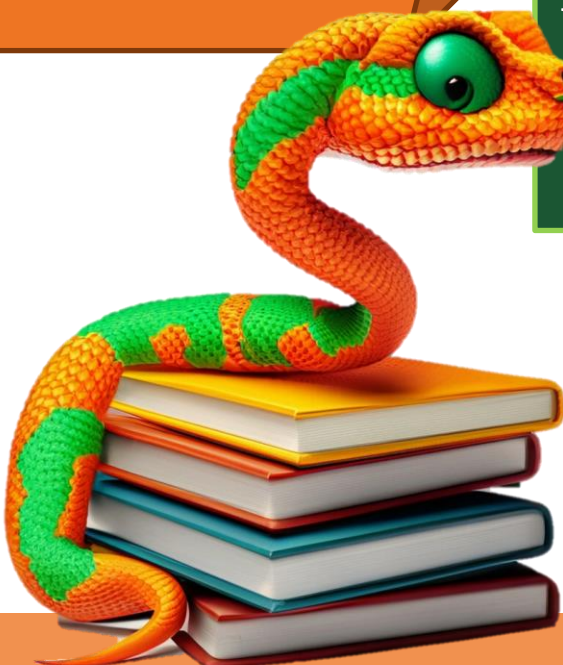
AI systems should augment human decision-making rather than replace it entirely. We need to maintain human oversight, ensuring that critical decisions are not solely reliant on AI algorithms.

Skill Gap and Workforce Readiness:

This risk encompasses a shortage of expertise in AI-related areas, hindering the institution's ability to leverage AI for enhanced decision-making, research, and operations. Addressing this risk involves ensuring that the workforce is adequately trained and prepared to work with AI tools and systems, enabling the organization to fully realize the benefits of AI adoption.

Data Quality and Availability:

It is essential to invest in data governance processes and infrastructure to ensure the reliability and accessibility of data required for AI applications within the university.



ARTIFICIAL INTELLIGENCE WORD SEARCH

By Rasheedat McKay

Use the Word Bank below to help you find the words in the word search. Words are hidden →, ↓, and ↘. All respondents with a correctly completed puzzle before November 10, 2023, will be entered in a raffle to win a prize. We will announce the two winners via FAMUINFO email. Submit responses to: DivisionofAudit@famu.edu.

G B U S I N E S S I B K S V K T U A
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WORD BANK

ALGORITHM
ARTIFICIAL
BRAIN
BUSINESS
CHATBOT
DATA
ETHICS

EXPERT
HUMAN
INTELLIGENCE
MACHINE
MODEL
NATURAL
PARAMETER

PROGRAM
SCIENCE
SECURITY
SIRI
TURING
VARIATION

EMPLOYEE SPOTLIGHTS



New Certification and new Webmaster for ISACA-Tallahassee Chapter, Congratulations WILLIAM THOMSON!!

Will has demonstrated his commitment to excellence by accomplishing great things. In addition to being a newly Certified Inspector General Investigator (CIGI), Will also has the honor of serving as the Webmaster for the Tallahassee Chapter of ISACA.



Two New Certifications - Congratulations CRISENCIA BROWN!!

Crissy is a shining example of what can be accomplished through hard work and dedication. She recently earned two highly respected certifications in the field. Congratulations to her on being a new Certified Inspector General Investigator (CIGI) and Certified Inspector General Auditor (CIGA).



Welcome New Auditor RASHEEDAT MCKAY and Congratulations on her new certification!!

“Cookie,” as she is affectionately known, has been on an uphill trajectory at FAMU for years. She is a proud 2015 FAMU graduate with a Bachelor’s degree in Health Sciences. She has working experience in FAMU’s Student Health Services, the University Box Office, Student Financial Services, and the Office of Counseling Services. In her spare time, Rasheedat loves to binge watch “Grey’s Anatomy,” volunteer in the community, and spend time with the four young ladies she mentors. She attributes them with being her greatest inspiration.

Cookie has exemplified her determination for success by quickly earning her first audit certification as a Certified Inspector General Auditor (CIGA).



Two New Certifications - Congratulations ERICA THAMES!!

Erica is making great strides in the world of auditing as she recently earned two highly respected certifications in the field. Congratulations to her on being a new Certified Inspector General Investigator (CIGI) and Certified Fraud Examiner (CFE). These achievements are a testament to her ambitious drive.



Congratulations JOSEPH MALESZEWSKI on being nominated to the Association of Inspector General’s (AIG) National Board!!

Joe currently serves on the AIG’s National Board and has been nominated to continue his service. The AIG is an organization that supports and advances the professionalism, accountability, and integrity of Inspectors General offices throughout the nation.

RESOURCES

Need to file a complaint or make a report to the DoA?

You can reach DOA by emailing us at DivisionofAudit@famu.edu or by phone at 850-412-5479.

Complaints can also be submitted via the University's Compliance and Ethics website which allows anonymous reporting.

[Click on this link to file an Ethics Report.](#)



We look forward to hearing from you.

Additional DoA Resources

[The Audit Charter](#)

[Audit Reports](#)

[ERM, Training, & Other Resources](#)

Did you enjoy reading...

The Division of Audit's The Audit Report Magazine? [Click here](#) to find previous issues on the Division of Audit's website.



Fraud Education and Resources

Want to know more about how to prevent, detect and address fraud within the University or in your day to day life?

Check out some of the resources listed below:

[Association of Certified Fraud Examiners](#)

[AGA Fraud Resources](#)

[FAMU Division of Audit](#)

[FRAUD Magazine](#)

[Institute of Internal Auditors Fraud Resources](#)

ACCOUNTABILITY • INTEGRITY • EFFICIENCY
FAIRNESS • OBJECTIVITY • PROFESSIONALISM

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"At FAMU, Great Things are Happening Every Day!"